

VZCZCXYZ0000
OO RUEHWEB

DE RUEHTH #1043/01 2050828
ZNY SSSSS ZZH
O 230828Z JUL 08
FM AMEMBASSY ATHENS
TO RUEHUNV/USMISSION UNVIE VIENNA IMMEDIATE 0059
INFO RUEHZG/NATO EU COLLECTIVE
RUEHII/VIENNA IAEA POSTS COLLECTIVE
RUEHC/SECSTATE WASHDC 2203

S E C R E T ATHENS 001043

SIPDIS

UNVIE FOR AMBASSADOR SCHULTE

E.O. 12958: DECL: 07/22/2018
TAGS: [PREL](#) [PARM](#) [MNUC](#) [KNNP](#) [IAEA](#) [GR](#)
SUBJECT: SCENESETTER FOR AMBASSADOR SCHULTE'S JULY 27 - 29
VISIT TO GREECE

Classified By: Classified By: Ambassador Daniel V. Speckhard for reason
s 1.4 (b) and (d)

¶1. (C) Welcome to Athens. I am pleased that you are coming and the Embassy stands ready to make your visit a success. Your visit is opportune, as the Greeks are thinking carefully about Iran. On the one hand, those handling non-proliferation matters largely share international community concerns related to Iranian nuclear proliferation activities and objectives; on the other hand, the Greeks have been reluctant to support EU sanctions going beyond UNSCR 1803 and maintain close commercial ties with Iran. Your discussions on Iran can help the Greeks understand the real situation. Your visit also comes during a rough patch in the relationship, as Athens' veto of a NATO invitation to Macedonia has clouded the U.S.-Greece relationship.

¶2. (S) Given its geostrategic position and memberships in NATO and the EU, Greece has a natural potential to be a player in the Middle East and has sought to portray itself as a "bridge" between the region and Europe. The Greeks - and particularly FM Karamanlis - offered to host Peace Process negotiations following the Annapolis conference, have (halfheartedly) advocated an EU PKO mission for Gaza, and recently held a joint military exercise over the eastern Mediterranean and Aegean with the Israelis. But neither the Israelis nor the Arabs trust the Greeks to be able to deliver on their promises and are very skeptical about Greece's role as a regional "bridge." To its credit, Greece quickly provided ammunition for the Lebanese army battling Hizballah last summer at our request.

¶3. (S) On Iran, Greece has also tried to act as a go-between with the West, maintaining an embassy in Teheran and meeting regularly with Iranian officials, though, thus far, little has come of this positioning. On Iran sanctions, Greece has followed the EU consensus, but has generally worked to delay or impede further sanctions. Greece is motivated by a principled belief that carrots are better than sticks, by the financial interests of powerful Greek shipowners (who have business dealings of an indeterminate size with Iran), and by its wish to be seen by the Iranians as an "honest broker."

¶4. (C) Relations with Ankara, while not trouble-free, are better than in the 1990's, and Greece is one of the most steadfast advocates of eventual full EU membership for Turkey. The "rapprochement" has resulted in a much lower probability of a military confrontation, although much time and energy is still spent in the military stand-off with Turkey. The Greeks parse very carefully any U.S. statements over Cyprus or the Aegean, with an eye towards scoring points against the other side. We encourage all senior visitors to carefully word any reference to those two problems.

¶5. (C) On a more positive note, Greek-U.S.

military-to-military cooperation and the work between our law enforcement officials remains strong. The U.S. Navy base at Souda Bay on Crete is a growing hub for transport and logistics in the Middle East theater and Greece is among the largest purchasers of U.S. military equipment. The Greeks have also been good partners on domestic and international counter terrorism issues and we are working hard to ensure that the overall political environment does not undermine this cooperation on the security front.

16. (SBU) Although issues regarding Iran will be the focus of your meetings, we wanted to give you background on other political issues that are omnipresent in the Greek mind and could emerge -- even informally -- in your discussions. Each is addressed below.

MACEDONIA

17. (C) Following the breakup of Yugoslavia, Greece objected to the Republic of Macedonia's name. Greeks consider the unmodified use of "Macedonia" a usurpation of their heritage and warn that it could encourage irredentism towards Greece's northern province of the same name. In 1995, the U.S. helped broker an "Interim Accord" between Greece and Macedonia positing that Greece would not object to the use of the name, "the Former Yugoslav Republic of Macedonia" (FYROM) until the two countries could decide on a mutually acceptable solution through UN-led negotiations. The U.S. decision in November 2004 to recognize the Republic of Macedonia by its constitutional name in bilateral relations touched off a storm of controversy in Greece. At the April NATO Summit, VISIT TO GREECE

Greece blocked the invitation of Macedonia into the Alliance. Since the Summit, we have continued to urge both Athens and Skopje to work rapidly for a mutually agreeable solution through the UN process, and Nimetz has met with the parties. There has been little progress, however, and Greek/Macedonian relations have been dealt an additional setback by a tart exchange of letters between Macedonian PM Gruevski and Greek PM Karamanlis on questions related to the "Macedonian minority" in Greece.

KOSOVO

18. (C) Greece does not appear likely to recognize Kosovo in the immediate future but is playing a reasonably constructive role behind the scenes. We continue to make the point that Kosovo requires friends in the region who are committed to its success, political stability, and economic growth. The Greeks accept this point, but also assert that it is important to maintain Serbia's European orientation; Greece has been among the most active players in the EU in engaging with Serbia post-Kosovo independence and in encouraging Serbia's European and Euro-Atlantic perspective. In the lead-up to Kosovo's independence, the Greeks consistently expressed concerns about the prospect of Kosovo's independence over Serbia's objections. Greek antipathy largely stemmed from an affinity for the Serbian position (based, among other things, on Orthodox solidarity), but also from concerns of a possible negative precedent for Cyprus and a possible reactionary response in Serbia that could destabilize the region. However, the Greeks have not further complicated Kosovo's independence. Greece is providing personnel to the EU Rule of Law Mission (EULUX), the International Civilian Office (ICO), the OSCE Mission, NATO (KFOR), and has ongoing dialogue with Kosovar authorities.

RUSSIA

19. (S) Over the last several months, PKaramanlis has accelerated development of closer ties is evident not only in Greek military equipment, numeral visits, and expansion's. We are concerned to strengthen the Moscow leg of a Greek

&three-legged stool¹⁸ (EU-U.S.-Russia) may draw Greece into a relationship with Russia that it is ill-equipped to manage.

Indeed, we may already be seeing evidence of Greece moving closer to Russia at the OSCE (where Greece will be Chairman-in-Office next year), on Iran sanctions, and Georgia/Abkhazia. Karamanlis, moves toward Moscow are also feeding negative views about Greece in Washington. At the same time, the Embassy's ability to affect the Greek position is lessened by several factors, including the fact that Karamanlis appears to make policy toward Russia largely on his own with little consultation with the MFA, MOD, or other ministries or experts over whom we could exert influence, and the PM's apparent tendency to view improving relations with Russia and boosting Greece's role as an energy hub as legacy issues.

ENERGY ISSUES

¶10. (SBU) Greece is seeking to play a prominent new role as an energy pipeline hub to Western Europe. It is one of the key supporters of the Turkey-Greece-Italy Interconnector (TGI), which is the first pipeline to carry Caspian gas to Europe without going through Russia or through Russian-controlled pipelines. TGI is an important step in realizing our Southern Corridor strategy of increasing energy diversity and security, and we have actively encouraged Greece to contract for gas from Azerbaijan. Although Greece relies on natural gas for less than 5 percent of its energy needs (but plans to expand this amount significantly under EU greenhouse gas guidelines), 80 percent currently comes from Gazprom, making Greece reliant on continued Russian goodwill in the short-medium term. Not surprisingly, Greece has found itself in the cross hairs of an intense effort by Russian Gazprom to minimize the flow of Azerbaijani gas through Greece. We believe that Gazprom's Southstream pipeline, which is designed to follow the same route as TGI, is designed to undermine TGI.

¶11. (SBU) Meanwhile, Greece, Bulgaria, and Russia have agreed to support the Burgas-Alexandroupolis Bosphorus Oil Bypass Pipeline (BAP) and share ownership. We support this

initiative insofar as it is commercially feasible. The Embassy and Washington agencies have been actively promoting with Greece the need for increased European energy security and diversification. It will be useful for you to reinforce U.S. appreciation for Greece's courage in standing up to Russian pressure on gas issues and to build contacts with Central Asian suppliers.

GREECE-TURKEY-CYPRUS

¶12. (C) Greece's role in the Aegean continues to impact its rapprochement with Turkey and the Cyprus dispute. The Greek/Turkish bilateral relationship has improved over the last four years, evidenced by Athens, ongoing support for Ankara's EU membership and PM Karamanlis' January visit to Turkey. There has, however, been no tangible progress on long-standing disputes over continental shelf and the status of islands in the Aegean. In May, NATO decided not to provide support for a planned Greek/NATO military exercise that would have flown over Agios Efstratios island. Turkey argued that the island is demilitarized and strongly objected to the proposed exercise.

¶13. (SBU) Although the Cyprus issue has been stymied since the Greek Cypriots rejected the UN-brokered Annan plan to reunify the island in a 2004 referendum (Turkish-Cypriots accepted the Plan), the election of Cypriot President Christofias and his engagement with his Turkish-Cypriot counterpart is widely seen as a new opportunity to reach a comprehensive solution on the island. While Greece has unique influence with the Greek Cypriots, it does not have the same level of influence as Turkey has with the Turkish Cypriot community. The Greeks remain suspicious that Turkey

may not be as committed to achieving a permanent settlement to the issue, and particularly worry that the Turkish General Staff (TGS) may stymie Turkish Cypriot efforts to make progress. They are also concerned about the impact that the AKP closure case may have on efforts to achieve a solution on Cyprus.

GREEK MEDIA

¶14. (U) Although often focused fairly exclusively on domestic political developments, the Greek media has good access to and much integration with international news sources. Print and broadcast media regularly convey and discuss major news about Iran, such as U/S Bill Burns, recent travel to Geneva for talks with Iranian nuclear negotiators. Stories that intersect with Greek national interests, such as the recent Israeli exercise overflying the Aegean reported in the New York Times, get wide and sometimes sensationalized treatment. Greek media is interested in &balancing8 in the sense of playing off the United States, the EU and increasingly Russia. Our goal for your trip is not to make headlines or announcements, but to add context to the recent stories and nuance to U.S. positions. We can expect that Greek official sources will background widely after ymur meetings, and leaks of official docum%nts are eXtremelyQ common.

SPECKHARD